

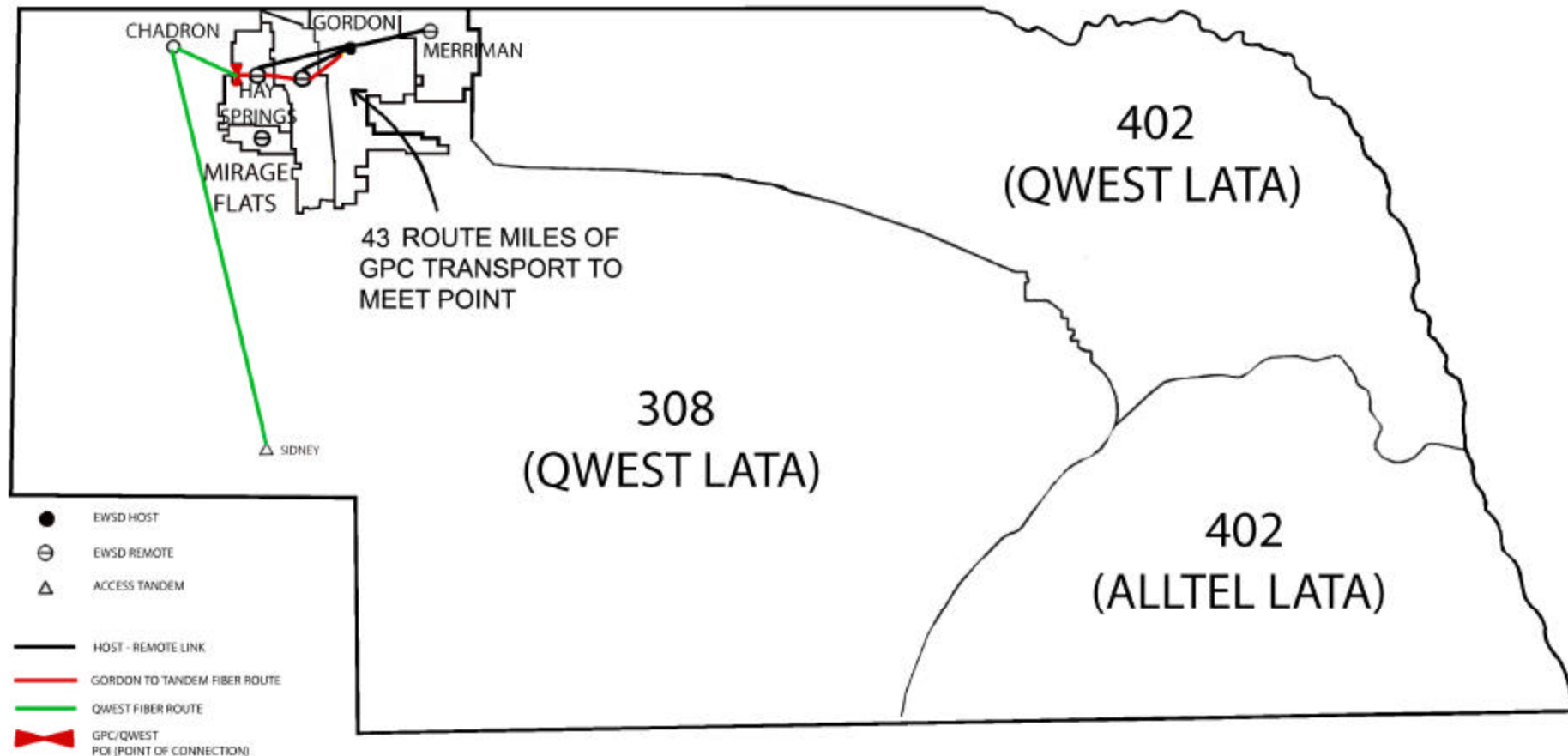
**Nebraska Rural ILECs' Analysis and
Recommendation
On Wireless/Wireline Interconnection
Arrangements**

Docket 01-92

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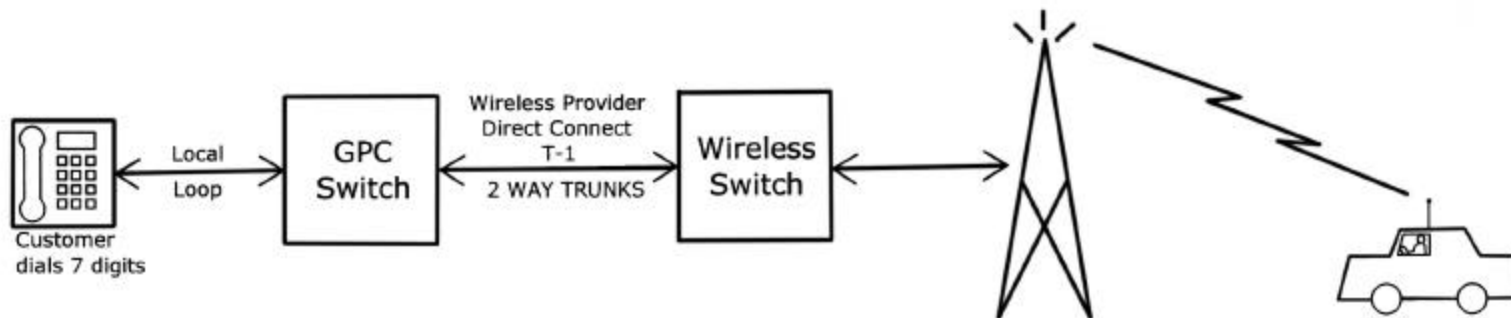
GREAT PLAINS' GORDON INTEREXCHANGE TRANSPORT FACILITIES TO TANDEM



<u>EXCHANGE</u>	<u>#CUSTOMERS</u>	<u>SQ. MI.</u>	<u>Customers Per Sq. Mile</u>
Gordon	1591	1410	1.13
Mirage Flats	150	225	0.67
Merriman	154	504	0.31
Hay Springs	616	297	2.07
Rushville	841	588	1.43
Network Total	3,352	3,024	1.11

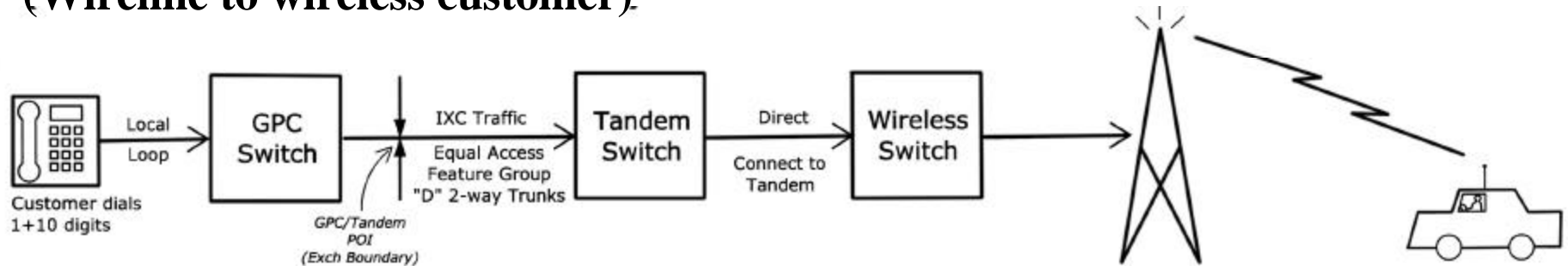
Rural Wireline-Wireless Interconnection Arrangements

DIRECT CONNECT



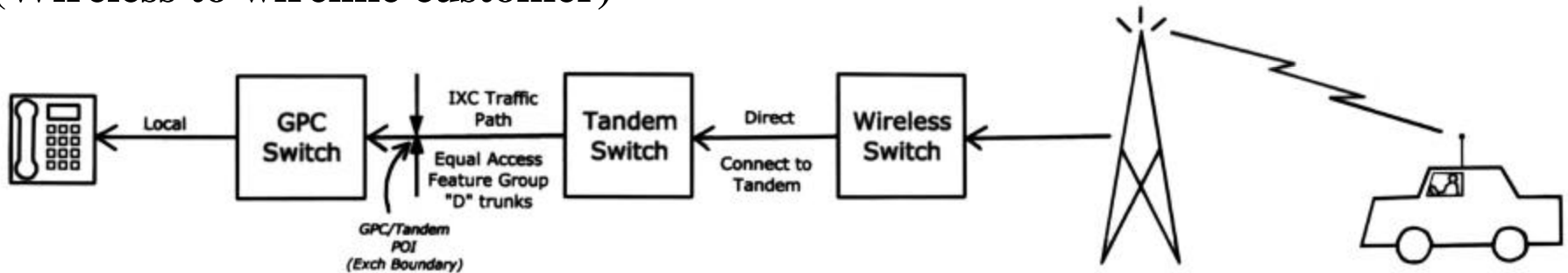
- Two-way local calling where wireless carrier has a direct connect.
- Reciprocal compensation applies.
- ILEC and CMRS carrier are the retail service providers.

INDIRECT CONNECT (Wireline to wireless customer)



- Traffic is routed to an interexchange carrier when a wireless provider does not have direct connects.
- Calls must be routed as any other 1+ call.
- IXC is the retail provider, and access charges apply.

INDIRECT CONNECT (Wireless to wireline customer)



- Utilized by a wireless provider without direct connects.
- Tandem sends 7 digits down the IXC traffic path as a non-IXC call to the LEC switch for termination from any wireless number in the wireless MTA.
- The wireless carrier is the retail service provider, and reciprocal compensation applies.

Status of rural ILEC-CMRS Interconnection in Nebraska

- ALLTEL has long utilized direct connections for exchanging local traffic with rural ILECs.
- Western Wireless was content when indirectly terminating traffic for free, yet recognized its obligation to compensate rural ILECs in its agreements with tandem provider Qwest.
- Only after rural ILECs sought compensation did Western Wireless seek virtual NXX arrangements.
- Great Plains-WWC arbitration conclusion: Without direct connections, wireline-originating calls are routed to IXC's in compliance with equal access and toll dialing parity requirements.

Point of Interconnection Must be Within the ILEC's Network

- Some CMRS carriers are using numbering resources to unilaterally dictate interconnection points; thus circumventing the negotiation process to avoid transport obligations.
- Western Wireless acknowledges interconnection is required on the ILEC's network (Aug. 8, 2002 filing, Page 7, citing Section 251 (c)(2)(b), but wrongly believes that a POI at the RBOC tandem satisfies this requirement.
- The Act does not require the ILEC's POI to be beyond its network, nor does the Act require the ILEC to assume transport responsibility beyond its network.

The Principle of Retail Service Provider Pays Governs Inter-carrier Compensation

- The geographical assignment (V&H coordinate) of an NXX to an exchange area will identify whether the call is intraexchange or interexchange.
- After that determination is made, then the compensation obligations become clear.
 - For local (intraexchange) traffic to a CMRS customer, the ILEC is the Retail Service Provider and transport beyond the POI is covered under existing recip comp agreements.
 - For interexchange traffic to a CMRS customer, the IXC is the Retail Service Provider and the IXC should pay the ILEC.

Compensation Obligations Must be Consistent with Carriers' Retail Responsibilities - Retail Service Provider Pays "RSPP"

Description of Call	RSP	Portion of Network Involved	Technical Responsibility	Financial Responsibility	Comments
Local traffic originated on ILEC's network	ILEC	ILEC customer to POI on ILEC's network	ILEC provisions network.	ILEC bills nothing to the CMRS carrier. Cost recovery must come from the ILEC's end user.	
		POI to CMRS customer	CMRS carrier provisions network.	CMRS carrier bills recip comp to the ILEC.	CMRS carrier's terminating responsibility. CMRS carriers are incorrectly trying to make transiting part of the ILEC's originating responsibility.
Local traffic originated on CMRS carrier's network	CMRS	CMRS customer to POI	CMRS carrier provisions network.	CMRS carrier bills nothing to the ILEC. Cost recovery must come from the CMRS carrier's end user.	
		POI to ILEC customer	ILEC provisions network.	ILEC bills recip comp to the CMRS carrier.	
Interexchange traffic originated on ILEC's network	IXC	ILEC's switch to network meet point	ILEC provisions network.	ILEC bills access to the IXC.	

POIs must be located within each ILEC's network, not solely at the RBOC tandem.

ILECs Have Statutorily Mandated Toll Dialing Parity Obligations

- ILECs have toll dial parity obligations for calls leaving the ILEC's exchange.
- If ILECs do not use a customer's PIC selection to route interexchange calls, then:
 - toll Dialing Parity requirements would be violated, and
 - IXC's would be eliminated from an entire segment of the market, and
 - a nonsensical dichotomy results:

IXCs carry interexchange traffic bound for wireline customers, while ILECs carry interexchange traffic bound for wireless customers.

Recommendations:

- Any FCC decision must not place ILECs in violation of toll dialing parity obligations in Section 251(b)(3).
- The Commission should confirm that a POI must be located within each ILEC's network as required by Section 251(c)(2).
- With the above FCC direction, states should be left to fulfill their statutory role in overseeing negotiations and arbitrations on wireless/wireline interconnection.
- Compensation issues and responsibilities should be determined in the intercarrier compensation docket, not through a narrow declaratory ruling.
- Universal service implications must be considered.